

"The complexity of the code increases the likelihood that honest taxpayers will make inadvertent mistakes, creates opportunities for taxpayers to avoid paying their fair share of taxes, and makes it difficult for the Internal Revenue Service to administer the tax system. Simplifying the tax law could improve the audit process and allow less taxpayer burden."

□ 2030

Pretty simple stuff. Pretty straightforward. If the National Taxpayer Advocate thinks it is best for our constituents if we simplify the system, it would make sense that Members of Congress on both sides of the aisle would agree with this sentiment and work toward this goal.

Now, this next data I need to credit to some polling done by American Solutions. They conducted a nationwide poll on six different topics, with one being taxes and jobs. This poll crossed gender, ethnicity, economic and party lines, and they discovered the following opinions in America. Under taxes and jobs, 69 percent think the Federal income tax system is unfair. Seventy percent favor tax incentives for companies who keep their headquarters in the United States of America. What a great concept. Eight-two percent think the option of a single rate system would give taxpayers the convenience of filing their taxes with just a single sheet of paper. Pretty powerful stuff. Eight-two percent want to be able to file on a single sheet of paper.

Madam Speaker, it sounds to me as if America has spoken fairly clearly on this subject, and the evidence is that we do need real change in our tax system. The encouraging news is that we have a practical and effective blueprint for making this real change across-the-board. The blueprint is called the flat tax.

In 1981, Robert Hall and Alvin Rabushka proposed a new and radically simple structure that would transform the Internal Revenue System and our economy by creating a single rate of taxation for all Americans. Today, several States have implemented a single rate tax structure for their State income taxes and from Utah to Massachusetts, citizens are seeing the benefit.

In Colorado, a single rate generated so much income, so much revenue, that lawmakers actually reduced the rate 10 years after its implementation. In the State of Indiana, the economy boomed after a single rate went into effect in 2003, and in that time corporate income tax receipts have risen 250 percent.

In 1981, a simple concept put forth by Robert Hall and Alvin Rabushka, revisited in 1995 by my predecessor in this body, former majority leader Dick Armey, and, most recently, within the last couple of years, a book published by Steven Forbes on the flat tax revolution. All of those authors, all of those authors calling for the same type of reform in our Tax Code, to allow it to be flatter, fairer and simpler.

Now we have got several Members of Congress who are actually working on the problem. Certainly it is something that I remain focused on. Congressman DAVID DREIER from California, the ranking member on the Rules Committee, and PAUL RYAN of Wisconsin, the ranking member on the Budget Committee, are all working to establish the single tax rate structure for the United States. Members are working on it in the other body as well. Each of us have our own ideas. The legislation proposed is a little bit different, but it all has at the center of it the concept that you should be able to file your taxes on a single form at a much flatter rate that will be fairer across-the-board, and, in fact, evidence has shown that it will actually increase revenue.

The bill that I introduced actually two Congresses ago, and I have continued to introduce it every year, H.R. 1040, it makes it easy to remember the number, H.R. 1040 allows for a person to opt in to a flat tax. They can't go back and forth from the old IRS code and the flat tax, but if they elect to go into the flat tax, they may do so.

If quite honestly they have constructed their family or business finances such that they have been trying to utilize the code to maximize their effectiveness, no one is going to require them to go into the flat tax. They may stay under the old IRS code. But for a lot of people like myself, regardless of whether I would come up better or worse under the flat tax, just to give up that shoe box full of receipts every year, to give up that quality time spent with my accountant every year, to give up that \$1,800 or \$2,500 that I spend every year on tax preparation, and I promise you, mine are not that complicated, I would gladly give that up to be able to simply file my taxes on a single page form, or, better yet, populate a field on a computer screen on the Internet, click a mouse, send it in, and be done with it for the year.

Now, we all may not agree on just a single rate. I have mentioned some other individuals that have other bills, and they do have different approaches. We may not all agree on whether it should be a single rate or two rates, as it was back when Ronald Reagan simplified the Tax Code. We may prefer a tax method that does allow for deductions for mortgages or charitable contributions. But regardless, regardless, each of them embodies the fundamental principle that each American should bear the burden of taxation equally and at the lowest rate possible; we think everyone should be able to do their own taxes without the help of a professional and should be confident that people who earn the same income pay the same taxes.

Madam Speaker, just as an aside, I remember back in the year 1993, I was just a regular guy working in a medical practice back home in Texas. It just so happened that that year, the President of the United States and myself had an

almost identical income reported. And yet when you calculated what I paid as a percentage of income, it was in excess of 30 percent. When you calculated what the other individual paid, it was around 20 percent. So why the discrepancy? With the same amount of earned income, why should there be such a vast difference in the taxes owed and the taxes paid? That is really what got me to thinking about this subject, many, many years ago.

We all remember when the Tax Code was changed in 1993. It was changed retroactively so that we got both the rich and the dead involved in paying additional taxes. But it really got me focused. Then in 1995 when Congressman Armey published his book on the flat tax, I read it, I became a believer, and have continued to study the issue and have continued to talk about the issue. And this is the time of year to have these types of talks, because I do think it is important, regardless of which party is in power, that we take seriously the will of the American people. Eight-two percent, 82 percent, want to be able to fill out a single page form and be done with their taxes.

Just by way of comparison, according to the Wall Street Journal, citing a blog off the National Taxpayers Union website, there are about 1.2 million or more professional tax preparers during tax season, which equals roughly the population of Hawaii. There are 836,000 doctors in the United States. As a physician, I think that there is something a little askew with this number, that we require half again as many tax preparers in the country as we do physicians. Healers shouldn't be outnumbered by tax preparers. The government math stuff is starting to scare me, and really should start to scare a lot of Americans.

Also, according to the Wall Street Journal, more than half of the individual taxpayers now use a paid preparer for their income tax return. I do myself. Mine is not that complicated, but I don't dare go into the process without a professional guiding me, lest someone at some point say, hey, you made a mistake. I want a professional with me if I had to go in to justify what those numbers read on the form.

We actually anticipate the number of people using a paid preparer to increase this year. In 1960, less than a fifth of taxpayers used preparers. More than half now. Less than a fifth, less than 20 percent, back in 1960. In 2005, one of the most famous tax preparation companies garnered \$2.4 billion in revenue from the United States in tax preparation, up from \$841 million 10 years before in 1996. Pretty astounding. Pretty astounding figures when you stop and think about it.

Now, I respect and I fully appreciate everything that my tax preparer does for me, what my accountant does for me, what tax preparation companies do, and I think it is a shame that Congress has created a system that is so complicated that more than half of the